

## **BUDGET, FINANCE & INVESTMENT COMMITTEE**

**October 9, 2014**

**5:30 P.M.**

**Courthouse**

### MINUTES:

#### Members Present:

Comm. Charlie Baum  
Comm. Joe Frank Jernigan  
Comm. Robert Peay  
Comm. Doug Shafer  
Comm. Will Jordan, Chair

#### Others Present:

Ernest Burgess  
Lisa Nolen  
Melissa Street  
Jeff Davidson  
Teb Batey  
Larry Farley  
Jeff Sandvig  
Mark Tucker  
Virgil Gammon  
Robert Arnold  
Darlene Spence  
Steve Spence  
Rosemary Faulk

Chairman Jordan presided and called the meeting to order with all members being present, except Rhonda Allen and Shawn Kaplan.

#### APPROVE MINUTES:

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes of the August 6, 2014 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

#### INVESTMENT REPORT:

Teb Batey, Trustee, presented the committee the monthly Investment Report noting that there were two CD bids for August and September at rates of 0.50% and 0.46%. The LGIP interest rate for the month was .07%.

Comm. Shafer moved, seconded by Comm. Peay to approve the Investment Report as presented.

The motion passed unanimously by acclamation.

#### FUND CONDITION REPORT:

Lisa Nolen, Finance Director, presented the monthly Fund Condition Report for the use and information of the committee advising that the Development Tax collections for the month of September totaled \$308,250 with the year-to-date collections being \$630,750. This compared to the previous year when the monthly Development Tax collections were \$297,750, and the year-to-date collections were \$887,250. She noted that collections were down as compared to the prior year.

The committee reviewed the fund cash balances totaling \$152,502,290 with operating funds being \$135,838,813 and borrowed funds being \$16,663,477. This compared to the same period last year when the total cash balances were \$135,311,401 with operating funds being \$131,284,615 and borrowed funds being \$4,026,786. She noted that the debt service fund cash balance, as compared to the prior year, was inflated by the approximately \$6,600,000 debt payment that is due on October 1. The prior year payment was made on September 30.

The Finance Director reviewed the revenue collections advising that there are only two months of revenues reflected in the statement due to the accrued revenue at year end. Most revenues are comparable to prior year.

Following review, Comm. Peay moved, seconded by Comm. Baum to approve the Fund Condition Report as presented.

The motion passed unanimously by acclamation.

RISK MANAGEMENT:

Melissa Street, Risk Management Director, presented the monthly Risk Management Financial Report for the use and information of the committee advising that the cost per employee per month for the medical, dental and vision program was \$978.85 compared to \$929.51 for the prior year. The average cost per month was \$911.27 compared to \$840.85 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$936.82 compared to \$865.06 for the prior year for a trend of 8.3%.

For the Work Injury Fund performance, the year-to-date claims totaled \$177,421.73 compared to \$127,341.19 for the prior year. She noted that there were still 14 work comp claims open.

Following review, Comm. Peay moved, seconded by Comm. Shafer to approve the Risk Management Financial Report as presented.

The motion passed unanimously by acclamation.

Director Nolen presented the following budget amendment to provide funding for auxiliary officers and firefighters liability premiums:

Decrease:	101-39000	Unassn. Fund Balance	\$10,000
Increase Expend.:	101-51920-506	Liability Insurance	\$10,000

Comm. Jernigan moved, seconded by Comm. Baum to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

AMBULANCE SERVICE:

Director Nolen presented the following budget transfer and amendment:

To correct funding for the director's salary.			
Increase Expend.:	118-55130-101	County Official	\$ 454
Decrease Expend.:	118-55130-133	Paraprofessionals	\$454
To increase funding for the PACE building renovation.			
Decrease:	118-34730	Assn. for Pub. Health	\$100,000
Increase Expend.:	118-99100-590	Trans. to Other Funds	\$100,000

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget transfer and amendment as presented.

The motion passed unanimously by roll call vote.

Director Nolen presented a resolution requesting authorization for the Ambulance Service to apply for the Assistance to Firefighters Grant to purchase twenty power stretchers. They will be seeking approximately \$280,000 with a 20% match required.

Comm. Shafer moved, seconded by Comm. Jernigan to authorize the Ambulance Service to apply for the Assistance to Firefighters Grant.

The motion passed unanimously by roll call vote.

FIRE & RESCUE:

Larry Farley, Fire Chief, presented the following budget transfer to add funds to the training budget:

Increase Expend.:	101-54320-322	Evaluation & Testing	\$8,000
Decrease Expend.:	101-54320-338	M & R - Vehicles	\$8,000

Comm. Peay asked if there would be enough maintenance funds available if the transfer came from this line item. Chief Farley explained that the Solid Waste department had a mechanic that had been assisting with some of the repairs to the fire vehicles and he was also certified for pump testing.

Comm. Peay moved, seconded by Comm. Shafer to approve the budget transfer as presented.

The motion passed unanimously by roll call vote.

#### SHERIFF'S DEPARTMENT:

Rosemary Faulk presented a budget amendment and transfer for the Sheriff's Department:

To request unspent funding from the 2013-14 year for vegetable garden, explorers, shop with Sheriff, scan, and dispatch training into various accounts.

Decrease:	101-39000	Unassn. Fund Balance	\$18,281
Increase Expend.:	101-54110-196	In-service Training	\$2,367
	101-54110-399	Other Cont. Services	\$8,438
	101-54110-499	Other Supp. & Mat.	\$2,812
	101-54210-499	Other Supp. & Mat.	\$4,664

To correct funding for captain and lieutenant positions in the Sheriff's budget and the Jail budget.

#### **Sheriff**

Decrease Expend.:	101-54110-109	Captain	\$56,990
Increase Expend.:	101-54110-110	Lieutenants	\$56,990

#### **Jail**

Increase Expend.:	101-54210-109	Captain	\$46,300
Decrease Expend.:	101-54210-110	Lieutenants	\$41,125
	101-54210-160	Guards	\$5,175

Comm. Jernigan moved, seconded by Comm. Baum to approve the budget amendment and transfer as presented.

The motion passed unanimously by roll call vote.

Ms. Faulk next presented a Highway Safety Grant, for overtime and the related benefits and equipment, for acceptance. The term of the grant is October 1, 2014 to September 30, 2015. Related to the grant is the following budget amendment:

Increase Revenue:	101-47590	Oth. Fed. to State	\$108,615
Increase Expend.:	101-54110-187	Overtime Pay	\$64,383
	101-54110-201	Social Security	\$3,992
	101-54110-204	State Retirement	\$7,707
	101-54110-212	Employer Medicare	\$933
	101-54110-716	Law Enforce. Equip.	\$31,600

Comm. Peay moved, seconded by Comm. Jernigan to accept the grant and approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

The Sheriff's Department next presented a budget amendment for the Special Purpose Fund to recognize funds from the Federal government into the confidential drug enforcement line item:

Increase Revenue:	121-47700	Asset Forfeit. Funds	\$448
Increase Expend.:	121-54110-319	Conf. Drug Enforce.	\$448

Comm. Shafer moved, seconded by Comm. Baum to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

Ms. Faulk next presented a budget amendment for the Drug Fund to move restricted funds into various line items:

Decrease:	122-34525	Restrict. for Pub. Saf.	\$155,000
Increase Expend.:	122-54150-338	R/M Vehicles	\$10,000
	122-54150-431	Law Enforce. Supp.	\$5,000
	122-54150-707	Build. Improvements	\$10,000
	122-54150-709	Data Proc. Equipment	\$30,000
	122-54150-716	Law Enforce. Equip.	\$40,000
	122-54150-718	Motor Vehicles	\$60,000

Comm. Jordan commented that he appreciated the Sheriff using funds from the Drug Fund when possible.

Comm. Peay moved, seconded by Comm. Shafer to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### CORRECTIONAL WORK CENTER:

The Correctional Work Center received approval for a grant from the Department of Justice for a Treatment and Re-entry Collaborative Program, in the amount of \$226,036, requiring a 20% match which will be met with in kind contributions. The term of the grant is from October 1, 2014 to September 30, 2016. The grant program will be administered by Volunteer Behavioral Health Care System and an addendum to their original Memorandum of Understanding was presented for approval. Following is a budget amendment presented to recognize the revenue and appropriations related to the grant:

Increase Revenue:	101-47990	Other Dir. Fed. Rev.	\$117,978
Increase Expend.:	101-54220-312	Cont. w/Private Ag.	\$107,058
	101-54220-355	Travel	\$6,720
	101-54220-435	Office Supplies	\$4,200

Comm. Peay moved, seconded by Comm. Shafer to accept the grant, approve the addendum to the Memorandum of Understanding and approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### EDUCATION CAPITAL PROJECTS-FUND 177:

Jeff Sandvig, Assistant Superintendent of Finance, presented an Education Capital Projects Fund (Fund 177) budget amendment. He advised that at the end of the fiscal year, any outstanding PO's are liquidated and are re-encumbered at the beginning of the new fiscal year. He requested to amend a total of \$470,570 from the Education Capital Projects fund balance to provide funding to complete the projects for Eagleville Sewer - \$207,400; Blackman Roof - \$144,400; Riverdale & Oakland Gym Seating - \$25,500; and Blackman Elementary Chiller - \$93,270.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### OTHER CAPITAL PROJECTS-FUND 189:

Jeff Sandvig next presented a budget amendment to the Other Capital Projects Fund (Fund 189). The amendment involves no new funding, but moves funding between line items in Blackman Middle Annex project - \$76,849; Smyrna Primary Addition project - \$203,784; and the Eagleville Phase I Addition project - \$1,302,286. It also transfers funding from the Stewarts Creek High project to the Blackman Middle Annex project - \$415,867 and from the Eagleville Phase II Addition project to the Eagle Phase I Addition project - \$200,849.

Comm. Jernigan moved, seconded by Comm. Baum to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### DOMESTIC VIOLENCE:

The Finance Director presented a budget amendment to convert one part-time position to a full-time position. The Domestic Violence Department has asked to expand their services to the community and funds are available from fees collected through the court that are being held in a reserve account:

Decrease:	101-34520- -VAA Res. for Victim Assistance	\$13,620
Decrease Expend.:	101-53930-169 Part-Time	\$12,750
Increase Expend.:	101-53930-189 Oth. Salary & Wages	\$19,780
	101-53930-201 Social Security	\$435
	101-53930-204 State Retirement	\$2,370
	101-53930-205 Emp. & Dep. Insur.	\$3,640
	101-53930-209 Disability Insur.	\$40
	101-53930-212 Employer Medicare	\$105

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### NON-PROFIT FUNDING TO DOMESTIC VIOLENCE, INC.:

The Finance Director presented a budget amendment to provide additional funding to Domestic Violence Program, Inc. The Domestic Violence Program, Inc. wants to expand their services to the community and funds are available from fees collected through the court. Funding will be increased by \$27,900 annually, with payments beginning November 1, 2014:

Decrease:	101-34520- -VAA Res. for Victim Assistance	\$18,600
Increase Expend.:	101-56900-316 Contributions	\$18,600

Comm. Jernigan moved, seconded by Comm. Shafer to allocate additional funding and approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### DRUG COURT:

The Drug Court received a Highway Safety Grant from the Tennessee Department of Transportation. The grant is for \$58,567 with no match required and is for the period October 1, 2014 to September 30, 2015. The revenue and appropriations are already included in the 2014-15 budget.

Comm. Jernigan moved, seconded by Comm. Peay to accept the grant.

The motion passed unanimously by roll call vote.

#### JUVENILE DETENTION:

The Finance Director presented a budget amendment related to a Title I grant received to fund salaries and related benefits, supplies and repairs. The grant is federally funded with no matching required and is for a term of one year beginning October 1, 2014:

Increase Revenue:	101-47141 Title I Grant	\$54,847
Increase Expend.:	101-54240-169 Part-Time Personnel	\$9,075

101-54240-189 Oth. Salary & Wages	\$32,936
101-54240-201 Social Security	\$2,605
101-54240-204 State Retirement	\$3,943
101-54240-205 Emp & Depend. Ins.	\$32
101-54240-209 Disability Insurance	\$61
101-54240-212 Employer Medicare	\$610
101-54240-336 M & R-Equipment	\$1,662
101-54240-399 Contract. Services	\$150
101-54240-429 Instruct. Supp. & Mat.	\$2,330
101-54240-499 Other Supp. & Mat.	\$700
101-54240-599 Other Charges	\$743

Comm. Peay moved, seconded by Comm. Jernigan to accept the grant and approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### ROAD & BRIDGE FUND:

Director Nolen presented two Road & Bridge Fund budget amendments as follow:

To recognize additional State Aid funds and project cost and reallocate funds for the local match:

Increase Revenue:	131-46420	State Aid Program	\$557,300
Increase Expend.:	131-68000-726	State Aid Projects	\$837,300
Decrease Expend.:	131-62000-402	Asphalt	\$280,000

To recognize additional State Bridge funds and project cost and reallocate funds for the local match:

Increase Revenue:	131-46410	Bridge Program	\$24,000
Increase Expend.:	131-62000-321	Engineering Services	\$55,000
Decrease Expend.:	131-68000-714	Highway Equipment	\$31,000

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendments as presented.

The motion passed unanimously by roll call vote.

#### FINANCE:

The Finance Director presented two resolutions for Facsimile Signature for the Rutherford County Payroll Account at SunTrust Bank and for Facsimile Signature for the Rutherford County Trustee Account at Bank of America. Due to the change in the School Board Chairman, new signature cards must be put in place for the Payroll and Trustee accounts.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the resolutions to change the signatures on the Payroll and Trustee accounts.

The motion passed unanimously by roll call vote.

Director Nolen presented a resolution to adopt the policies and procedures for the HOME grant that was previously accepted by the County in August 2014.

Comm. Peay moved, seconded by Comm. Shafer to approve the resolution to adopt the policies and procedures for the HOME grant.

The motion passed unanimously by acclamation.

The Finance Director presented a resolution to approve a contract, in the amount of \$7,200, with Greater Nashville Regional Council to administer the HOME grant program.

Comm. Jernigan moved, seconded by Comm. Baum to approve the contract with Greater Nashville Regional Council.

The motion passed unanimously by acclamation.

The Finance Director presented a budget amendment to increase the revenue and the related payment to the Town of Smyrna, TN relative to the payment in lieu of tax from Nissan:

Increase Revenue:	101-40163	Pay in Lieu of Taxes	\$40,220
Increase Expend.:	101-58700-309	Contracts w/Gov't Ag.	\$40,220

Comm. Shafer moved, seconded by Comm. Jernigan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

REPORT ON CAPITAL LEASE:

The Finance Director presented State Form CT-0253, Report on Debt Obligation, to the committee for their review. The report is for a capital lease for a storage backup system for OIT.

No action was taken on this item.

NOTICE OF 2014-2015 BUDGET APPROVAL:

The Finance Director presented a letter from the State Comptroller's office that is the approval of the 2014-2015 fiscal year budget. Comments were made in the letter concerning the General Purpose School Fund and School Federal Project Funds amount of fund balance available at the close of the 2015 fiscal year. The State provided a breakdown of the budgeted expenditures divided by 12 months and advised that the school system may not have the necessary cash to sustain the operations of the funds.

Jeff Sandvig, Assistant Superintendent of Finance for the School System, replied to the letter advising that the expenditures of the system is not spent equally throughout the school fiscal year and believes that cash will be adequate to sustain the operations. An estimated statement of cash flows broken out by month for General Purpose Schools was also submitted.

No action was taken on this item.

ADJOURNMENT:

There being no further business to be presented, Chairman Jordan declared the meeting adjourned at 6:29 P.M.

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Mark Tucker, Secretary